

EVALUATING THE IMPACT  
OF AID PROJECTS

A Final Report

EXECUTIVE SUMMARY

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## Preface

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During the summer and fall of 1979, Practical Concepts Incorporated (PCI) assisted the Agency for International Development (AID) in examining approaches the Agency could employ to increase its understanding of the social and economic benefits yielded by development assistance projects. PCI's assistance took the form of a "Feasibility Study of an Ex-Post Project Evaluation System". The work was carried out for the Office of Evaluation in AID's Program and Policy Coordination Bureau (PPC/E) under Contract AID/otr/C-1377, Work Order #25.

This Executive Summary is one of two volumes of PCI's final report on the study. It summarizes PCI's findings, conclusions and recommendations. The volume also provides an overview of how AID might best implement the study's recommendations. Volume II, submitted separately, contains two types of detailed information. Its white pages discuss the study's findings and delineate AID's options as well as presenting PCI's recommendations. Its blue pages provide background and technical information that are designed for use by individuals within AID who are concerned with the selection of appropriate evaluation methodologies, the preparation of detailed evaluation scopes of work and the management of evaluation teams.

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PRACTICAL CONCEPTS INCORPORATED

# Objectives & Scope

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## CHAPTER ONE

### A. BACKGROUND

PCI's examination of the ways in which the Agency for International Development might improve the flow of evaluative information from its mature and terminated projects began with the recognition that:

- AID already has an established project level evaluation system.
- Its project evaluation system could theoretically be used to secure evaluative information both during the period in which project funds are being expended and following the formal termination of project assistance. The system's evaluation approach is linked to a project's hierarchy of objectives.

However, as AID's collection of completed project level evaluations demonstrates, its project evaluation system has not routinely been employed to secure evidence concerning performance in terms of the higher level objectives AID's projects are designed to achieve.

- The Agency's lack of information concerning the performance of its projects in terms of their ultimate objectives can be understood by examining when and how AID's project evaluation system has been applied:
  - Most project level evaluations are carried out during the period of project implementation, when information that is useful for project management can be secured. These mid-project evaluations collect information on only those project results that have been achieved by the time an evaluation is conducted. These mid-project evaluations are premature from the perspective of those concerned with full range of development benefits yielded by AID projects.
  - The project level evaluations AID has carried out on mature and terminated projects often answer management and process questions rather than address the difficult task of measuring a project's performance in terms of its higher level objectives.

## B. OBJECTIVES OF THE STUDY

The objective of this study was to determine the feasibility of improving the flow of evaluative information from AID's mature and terminated projects. The original scope of work called upon PCI to examine whether an ex-post project evaluation system would provide this information and what the costs and manpower implications of such a system might be.

Preliminary discussions between PPC/E and PCI concerning the study resulted in a determination that PCI should begin by examining AID's specific needs for information, rather than with the a priori conclusion that an ex-post project evaluation system was required. Both PPC/E and PCI recognized that by taking Agency information needs as the starting point for the study, the question of what type of evaluation mechanism would best meet AID's needs was, in effect, reopened. As an outgrowth of these early discussions, it was determined that two Outputs would be required from the PCI engagement:

- Recommendations for securing evaluative information from AID's mature and terminated projects; and
- Recommendations concerning the relationship between these evaluations and other project level evaluations conducted by the Agency.

## C. STUDY SCOPE AND COVERAGE

In the course of this study, PCI collected data on AID's information needs through interviews with AID's evaluation staff in PPC and the regional bureaus and from Agency and Congressional documents. A wide range of documentary materials from within and outside AID was reviewed to secure data on options available to the Agency and a limited number of interviews with evaluation personnel from other international and domestic agencies were conducted.



# Conclusions & Recommendations

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## CHAPTER TWO

This section of the Executive Summary is presented in the form of answers to the three main questions addressed by the study:

- What information is needed from mature and terminated projects?
- What are the characteristics of evaluations that will provide this evidence?
- What evaluative mechanism is most appropriate for securing the information AID requires?

### A. INFORMATION NEEDED FROM MATURE AND TERMINATED PROJECTS

In this study, the question of what information is needed from mature and terminated projects was posed in the context of AID's experience with evaluation. In effect, the study asked: What critical information is not being collected, analyzed and used by the Agency, given the manner in which AID's project evaluation system actually functions? PCI sought the answer to this question not by defining what types of information could be secured from projects on an ex-post basis, but by examining who would make use of additional evaluative information from projects and to what end. By working backward from evaluation users to the information they needed, PCI sought to focus the study on critical information needs, rather than simply on how AID could evaluate its older projects.

The process PCI used identified two primary audiences for information that is not currently available concerning mature and terminated projects. These evaluation users are:

- External organizations, such as the U.S. Congress that want AID to secure and use information on past projects to predict, with greater accuracy, what development benefits will flow from its proposed projects. To Congress and other external organizations that review AID's annual budget submissions, evaluations that provide information on project impact would serve two purposes: (a) They would provide evidence of the results achieved through the expenditure of development funds and (b) they would provide information that these organizations could expect AID to use in identifying, designing and implementing new projects.
- Project designers, AID officers involved in the Agency's project review and approval process and others throughout the Agency who must make judgments about what types of interventions are likely to yield development benefits under a particular set of social, economic, physical, political and cultural conditions. The uses to which AID itself could put information on the impact of mature and terminated projects are in (a) project identification, design and implementation and (b) project related studies that focus on the relative effectiveness of alternative project interventions, implementation strategies and technologies for addressing specific problems in the developing countries.

PCI's examination of these evaluation users and their needs led to the conclusion that both sets of users require essentially the same information from mature and terminated projects. The critical information that is needed by both audiences includes information on:

- Project impact, i.e., the social and economic benefits yielded by specific development assistance activities;\*
- The distribution of project benefits to the target groups and/or target areas identified in a project design; and
- The link between a development assistance project and such social and economic benefits as are measured by evaluations, i.e., evidence which suggests that these benefits would not have been realized in the absence of AID's development assistance effort.

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\* PCI subsumes both the Purpose and Goal level of a project's hierarchy of objectives under this rubric. There are two main reasons for subsuming both Purpose and Goal results under the term "impact": (a) The information not currently collected by AID's project evaluation system is information on the Purpose and Goal level results of development projects and (b) the type of "mandate" benefits that are of particular interest to Congress can, depending on the type of project, be Purpose as well as Goal level objectives.

## B. THE MAIN CHARACTERISTICS OF PROJECT IMPACT EVALUATIONS

At the time PCI was undertaking this study, AID was reviewing its short-term options for securing information from its older projects. The short-term option elected by the Agency involves the completion of roughly two dozen evaluations of terminated projects. These evaluations were to be undertaken by Agency staff during the fiscal year that began October 1, 1979. The evaluations were to be based on a combination of existing information and a limited amount of primary data collection.

PCI, without the benefit of hindsight that a review of this year's ex-post evaluations might offer, advised AID in September 1979 that:

- AID's preliminary experience with ex-post evaluation (in a series of "pilot" ex-post studies carried out during the mid-1970s) did not yield systematic evidence of project impact. Rather these studies, as a cluster, tended to secure whatever information was available on projects as of the time the "ex-post" evaluations were carried out. The information secured was, for the most part, information that AID currently expects Missions to gather in the course of mid-project evaluations.
- If AID is to secure the information it needs on project impact, its evaluations of mature and terminated projects will need to be explicitly focused on impact not simply defined in terms of when information is to be secured (e.g., on an "ex-post" basis). PCI has reached the conclusion that the difference between the term "ex-post" evaluation and "impact" evaluation in AID is more than semantic: The two terms imply different types of action.

Based on its examination of AID's needs for information and the Agency's past evaluation experience, PCI further concluded that if evaluations of mature and terminated projects are to yield information on project impact they will need to collect data that can be used to determine whether the status of an area or target group changed as the result of a development assistance project. In order to measure such changes, AID's impact evaluations will need to both characterize a project area or its target group with respect to the main types of impact the project promised and compare the

status of the project area or target group to some legitimate referent, e.g., a comparable area or group that did not receive project assistance or to baseline data about the project area or its target group.

For many of the projects AID currently considers to be mature or has terminated, there is either inadequate baseline data or no baseline data at all. Thus, PCI recommends that in situations where inadequate baseline data is available, AID impact evaluations for mature and terminated projects compare the status of the project area or target group at the time of the evaluation to a comparable area or group that did not receive project assistance.

C. APPROPRIATE MECHANISMS FOR SECURING INFORMATION ON PROJECT IMPACT

PCI's examination of alternative approaches for securing project impact information from mature and terminated projects has suggested that:

- AID's current Project Evaluation System (PES) is conceptually adequate. This system, through its project level Logical Frameworks, provides a basis for impact evaluation. The lack of impact information in the Agency is primarily a problem of evaluation timing: Project level personnel cease to be available to schedule and carry out project evaluations before the full set of results from a development assistance project is observable. At present, AID has no mechanism for continuing to apply its PES after a project's management and implementation team completes its work.
- AID can best meet its needs for information on project impact by modifying the operating procedures for its existing PES.
- The modification of the PES that PCI has concluded is indicated involves the delineation of two operating subsystems within the framework of the existing PES. The proposed division of the PES into two subsystems would yield:
  - One subsystem that conducts evaluations during the active life of a project. Project and Mission personnel would continue to be responsible for this type of project evaluation. The subsystem would gather and analyze evaluative information on those aspects of project performance that become observable during

the period when a project management and implementation team is carrying out its work. The focus of this subsystem would continue to be on information that can be used by project management in directing and, as needed, replanning project efforts.

- A second subsystem that would focus on the collection of impact information. The second subsystem would be centrally coordinated. However, the responsibility for conducting specific project impact evaluations would rest with a variety of Agency units, e.g., Missions, REDSOs, regional and central bureaus. Each of these units would participate in the nomination of projects for impact evaluation. PPC/E is recommended as the coordinating office for this subsystem.



# An Impact Evaluation Subsystem

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## CHAPTER THREE

This chapter of the Executive Summary provides an overview of the Impact Evaluation Subsystem proposed for incorporation into AID's existing Project Evaluation System. The subsystem would supplement and compliment, rather than replace, existing project level evaluation activities. This subsystem, and a second subsystem which would subsume the evaluations of ongoing projects, would both utilize project Logical Frameworks as the basis for evaluation. The Impact Evaluation Subsystem is described below in terms of its coverage, scope and methods, management procedures and cost.

### A. EVALUATION COVERAGE

The proposed Impact Evaluation Subsystem is not intended for comprehensive application. Its role in the overall Project Evaluation System would be as an Agency tool for addressing questions of particular importance with regard to development benefits, benefit distribution and the validity of project hypotheses. The evidence AID requires for use in planning of new projects and in demonstrating what types of interventions yield the social and economic benefits identified by its Congressional mandate can be secured by conducting impact evaluations for projects on a selected basis.

The Impact Evaluation Subsystem is thus recommended for application in situations where:

- Understanding the consequences and causal relationships in a specific project is deemed important;
- The evaluation of one or two projects that articulate a common set of development hypotheses can be expected to increase AID's

understanding of a functional cluster of projects, e.g., a specific type of agricultural production intervention or a frequently used infrastructure/intervention;

- The evaluation of several projects that are directed at the same socio-economic consequence, but employ different approaches to achieving this result, could provide the Agency with valuable information concerning the relative effectiveness of the project approaches examined by an evaluation; and
- The evaluation of one or more projects offers the possibility that AID could increase its understanding of important process issues such as participation strategies, etc..

Selective application of the Impact Evaluation Subsystem would not result in the conduct of a fixed number of Impact Evaluations annually. Rather, AID should expect that the number of Impact Evaluations undertaken in a given year would vary depending primarily on the number of analytic questions about project benefits, benefit distribution and hypothesis validity that need to be addressed for the Agency as a whole, or in response to information needs identified by Agency bureaus, Missions or host government organizations.

#### 1. The Selection of Projects for Impact Evaluation

PCI recommends that AID employ an open process for selecting the specific projects for which Impact Evaluations will be undertaken. Projects can be selected for Impact Evaluation in a variety of ways and, potentially, by a wide range of Agency personnel. Since Impact Evaluations can serve several types of Agency audiences, the selection function should be decentralized. In some situations, project and Mission personnel will need information from an Impact Evaluation to plan future development projects for a specific target group or area. Central bureaus can identify instances where Impact Evaluation information is needed to determine the effectiveness of specific types or clusters of projects, or the relative effectiveness of different approaches for addressing the same development problem.

To facilitate the open selection process described above, and to avoid duplication of effort, PCI recommends that PPC/E act as selection coordinator for the Impact Evaluation Subsystem. In practice this would mean that Missions and bureaus would be expected to inform PPC/E concerning the particular projects they recommend for Impact Evaluation. In addition to maintaining a roster of planned and completed Impact Evaluations, PPC/E would, particularly in instances where Mission nominations coincide with regional or central bureau plans for the evaluation of a cluster of projects, serve as liaison between the two interested units and attempt to ensure that the evaluation agendas of both are met through a coordinated, cost-effective effort.

## 2. The Timing of Impact Evaluations

A Logical Framework for an AID project identifies both what impact is expected from a development assistance effort and roughly when that impact is expected to occur. As noted in Chapter Two, the term impact is used by PCI to subsume both the Purpose and Goal level results of Agency projects. Since Purpose level achievement is hypothesized to depend on the creation of the project's Outputs, Impact Evaluation, by definition, should commence only after the Outputs of a project have been produced.\*

Firm guidelines concerning the amount of time that should intervene between the production of a project's final Outputs and the beginning of an Impact Evaluation should not be developed until AID acquires sufficient empirical data to identify how rapidly impact can be observed and measured in specific

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\* In an Impact Evaluation, AID will be assessing whether its project Outputs together with project Assumptions yielded the impact AID hypothesized they would yield. It is a separate question, and one that AID should examine, whether Purpose and Goal achievement occurs in the absence of one or more of the Output Assumptions that AID hypothesized were critical. AID should be looking to its evaluations of ongoing projects to signal such occurrences, and should mount "special evaluations" to further analyze these cases.

types of projects. It is expected that the actual timing of Impact Evaluations will need to vary as a function of (a) the type of project and (b) the timing of the production of Outputs from related AID, other donor and/or host efforts that have been identified as Assumptions upon which the achievement of the Purpose or Goal of a specific project depends.

In planning its Impact Evaluations, AID should recognize that the impact of a project can be conceptualized as having two phases. In the first phase, the immediate consequences of development assistance at a project's Purpose and Goal levels should be observable and, hence, measurable. In addition to these immediate results, AID is often interested in the long term impact of a project, i.e., multi-year trends for Purpose or Goal level results or other data which would suggest that the benefits of a project persist over time. Since immediate and long-term impact cannot be examined simultaneously with a high degree of accuracy, AID will need to undertake multiple Impact Evaluations for those projects on which it requires firm evidence concerning both. For projects on which a high degree of accuracy concerning both immediate benefits and benefit continuation is not required, the Agency has several options:

- Evaluate projects in terms of their immediate Purpose and Goal level impacts shortly after such impacts are expected to be observable. For a large number of Agency projects, PCI expects that immediate impacts will be measurable in time frames that range from a few months to two years after the project Outputs have been produced.
- Evaluate projects in terms of their long-term impacts as soon as it can be anticipated that such long-term trends as AID expects will emerge from a project should have been established.
- Using project documentation, select the point in time when (a) evidence of benefit continuation is likely to first be available or indirectly measurable with "leading indicators" and (b) evidence of immediate impact will still be available, i.e., not so remote in time as to prohibit reconstructing a clear picture of immediate impact at its peak.

Timing options, of the sort listed above, should be used by AID to gather the evidence it needs as rapidly as possible. Of the options listed, PCI

recommends that AID elect either Option 1 or Option 3 for most project Impact Evaluations. Option 2 should not be used as an excuse for delaying evaluation, rather it should be employed for those projects that predicted the establishment of measureable trends within a reasonable period of time, i.e., two to five years. PCI recognizes that its recommendations concerning the timing of impact evaluations will not fully satisfy those who are concerned with the way in which AID projects effect developing countries over a period of ten, twenty or fifty years. Evaluations which capture immediate benefits and the first evidence of benefit continuation will simply not answer questions about the impact of a project over this type of horizon. Even in cases where AID expects that the impact of a project will take many years to fully develop, it should not simply delay with the hope of eventually securing complete information. Instead of deferring Impact Evaluations, AID should, in these cases, accept the fact that more than one evaluation may eventually be required.

## B. EVALUATION SCOPE & METHODS

### 1. Scope

In the course of this study, PCI reviewed the differences between what might be called a "minimal" scope for Impact Evaluations and a "supplemental" scope of the type AID might like to use in comprehensive impact studies. PCI concluded that in the Agency's initial Impact Evaluations, the probability that AID would systematically secure firm evidence on all of the items in a "supplemental" scope was limited. If AID included all of the items in both the "minimal" and the "supplemental" scopes, it might so diffuse or otherwise tax these initial studies as to jeopardize its chance of securing the "minimal" information required for its dialogue with Congress. Thus, PCI recommends that, in its initial Impact Evaluations, AID limit and focus its efforts to demonstrate that it can secure basic evidence on impact, benefit distribution and the linkage between project assistance and impact.

For each project Impact Evaluation a detailed study scope should be prepared. In part, that study scope will be determined by the nature of the project and the specific questions AID is attempting to answer through the evaluation. At a general level, there are three major elements that could be covered in an Impact Evaluation:

- The Intended Impact Element (the "minimal" scope recommended for use in AID's first Impact Evaluations);
- The Supplementary Impact Element (portions of which may be needed in specific comprehensive evaluations); and
- The Additional Lessons Element (a useful incremental element).

a. The Intended Impact Element

PCI recommends that the minimal scope for all Impact Evaluations include:

- Measures of Purpose level achievement: Changes in status measured using a project's Purpose level indicators;
- Measures of Goal level achievement: Changes in status measured using a project's Goal level indicators;
- The acquisition of evidence concerning the validity of the Output to Purpose hypothesis (Development Hypothesis 1: The project hypothesis); and
- The acquisition of evidence concerning the validity of the Purpose to Goal hypothesis (Development Hypothesis 2: The program hypothesis).

b. The Supplemental Impact Element

In addition to information on the intended impact of a project, there are a number of supplemental effects with which AID may be concerned in some of

its comprehensive project Impact Evaluations. PCI expects that in many of its project Impact Evaluations AID will want to examine some or all of the following supplemental impacts:

- The impact of projects on socio-economic factors that were not articulated in the project design. Specifically, the impact of older projects on "New Directions" objectives;
- Second-generation consequences of projects;
- Unplanned effects of projects;
- Secondary effects of projects;
- "Spread Effects" associated with projects;
- Negative effects of projects.

The effects listed above cannot be totally divorced from the intended impact of a project (i.e., the "minimal" scope for Impact Evaluations). Any thorough evaluation will necessarily consider some of these supplemental effects in order to determine whether, and to what degree, the intended impact of a project has been realized. Further, evaluations that concentrate only on intended impact may provide AID with less information than it can productively use. The designation of the other effects that are of interest to the Agency as "supplemental" is designed to help AID focus Impact Evaluations on the issues that it considers to be of primary importance in a specific case. Each of the "supplemental" effects listed above is defined and discussed in further detail in Volume II of this report.

c. The Additional Lessons Element

In the course of most Impact Evaluations, PCI anticipates that evaluators will acquire useful information that does not readily fit into the information categories defined above. Rather than lose the benefits of information that

is not directly relevant to the "minimal" and "supplemental" Impact Evaluation scope items, PCI recommends that AID specify in its Impact Evaluation "scopes of work" the types of additional information it expects could be utilized, if provided by evaluation teams. Five general categories of information that do not have direct bearing on the "minimal" and "supplemental" scope items for an Impact Evaluation are identified below:

- Management Information;
- Methodological Observations;
- Information Pertaining to the External Validity of Project Hypotheses;
- Partial Information/Hunches; and
- Inferences/Deductions that Go Beyond the Project Framework.

These additional information categories, which are defined and described in Volume II, represent areas in which evaluation teams often secure data in the course of field work without specifically attempting to study the issues. PCI's recommendation concerning their explicit inclusion in an Impact Evaluation "scope of work" is designed to secure information which might otherwise be lost.

## 2. Evaluation Methods

### a. Evaluation Designs

As noted in Chapter Two of this Executive Summary, the first principle of Impact Evaluation is that the methods used to assess impact must determine whether changes occurred, i.e., they must compare the status of a project area or target group, after project assistance has been provided, to some legitimate referent.

A comparison methodology that is likely to be appropriate for many of AID's older projects is one that examines both the target group or area that received project assistance and a comparable group or area that did not. An alternative approach for examining change involves a before-and-after measurement of the status of an area or target group that received project assistance. Before-and-after studies will only be possible and appropriate for projects that have valid baseline data collected using replicable procedures.

Figures III-1 and III-2 below show diagrammatically the comparative evidence secured by these approaches. Figure III-3 displays the data that can be secured when evaluations employ both types of comparisons. The conclusions that can be drawn based on the information categories suggested in Figure III-3 will generally be stronger than is the case when only a post-project comparison of two groups or areas is made or when simple before-and-after data is used to examine changes in an area or group that received project assistance.

Timing of Data Collection Data Collection Coverage	Measures Taken Before The Project	Measures Taken After The Project
Area or Group that Received Project Assistance		X
Area or Group that Does not Receive Project Assistance		X

Figure III-1: A post-project comparison between areas or groups that did and did not receive project assistance provides a reasonable basis for drawing conclusions about impact when there is reason to believe that the areas or groups involved are quite similar.

Timing of Data Collection Data Collection Coverage	Measures Taken Before The Project	Measures Taken After The Project
Area or Group that Received Project Assistance	X	X
Area or Group that Does not Receive Project Assistance		

Figure III-2: A before-and-after study can provide data about the change in the status of a project area or group. However, it does not always provide the basis for concluding that project assistance "caused" this change. We do not know whether there is some other factor involved which may have affected both the project area or group and other areas and groups that did not receive project assistance

Timing of Data Collection Data Collection Coverage	Measures Taken Before The Project	Measures Taken After The Project
Area or Group that Received Project Assistance	X	X
Area or Group that Does not Receive Project Assistance	X	X

Figure III-3: An evaluation that secures data both over time and on groups or areas that did and did not receive project assistance provides a strong basis for drawing conclusions about the impact of a project.

b. "Standards of Evidence"

In order to ensure that AID's Impact Evaluations produce the type of solid information the Agency requires, PCI has concluded that a "standard of evidence" needs to be established for Agency Impact Evaluations. The elements of such a "standard" would include the following requirements:

- Impact Evaluations must compare information on the status of the target group or area, after development assistance has been provided, to a legitimate referent (i.e., the first principle stated above);
- Impact Evaluations must present as evidence facts, not evaluator assertions. (The requirement to present facts does not rule out either qualitative data or opinion and attitude data that is secured in a professional and methodologically legitimate way.); and
- Evaluation "scopes of work" and designs that call for "representative" data must employ methods for selecting sources of information (observations) that conform to a methodologically legitimate approach for ensuring that statements made about a subset of a project target group or area can be used to characterize the entire group or area.

The requirements listed above are suggestive rather than comprehensive. They have one important characteristic in common which AID should preserve. They set "standards on evidence" without attempting to make a priori judgments as to the specific methodologies and measurements that will be most cost-effective for meeting AID's "standards of evidence" in a given project evaluation.

In addition to setting "standards of evidence", PCI anticipates that AID will be able to do a great deal by way of identifying indicators, measures and methodologies that will be appropriate for more than one Impact Evaluation. The development of approaches that can be used in more than one evaluation, yet give evaluators options that can be used to take into account differences by type of project and intended impacts, offers AID a major opportunity to control the costs of its Impact Evaluations. AID's "standards of evidence", as well as indicators and measurement

approaches that can be used in evaluating more than one project, should be circulated throughout the Agency. The "standards of evidence" should be enforceable and enforced. Measures to enforce AID's "standards of evidence" are envisioned as including decisions to require changes in inadequate evaluation designs, the redrafting of reports that present recommendations based on assertions rather than empirical fact, etc.

c. Evaluation Duration and Intensity

PCI's review of the question of evaluation duration and intensity has suggested that there will be differences by type of project. For the type of Impact Evaluations discussed in this report, PCI expects that the "best case" answer will be a duration of six to eight months when new field data is to be collected. A shorter period, such as three to six months, may be possible when only existing data is utilized. This "best case" answer to the duration question is not necessarily expected to hold in evaluations directed by personnel who are not familiar with evaluation research design or the collection and analysis of existing and/or new field data.

C. THE MANAGEMENT OF IMPACT EVALUATIONS

PCI's study has suggested the need for a "manager" of AID's program of Impact Evaluations. In its examination of alternative "managers" for the Impact Evaluation Subsystem, PCI found it useful to deal with four sequential management issues: The choice of what projects to evaluate, the selection of evaluation measures and methods and the setting and enforcement of "standards of evidence", evaluation implementation and, finally, the utilization of evaluation findings.

## 1. Choice

While AID's approach to the selection of projects for evaluation may in the short run be tailored to respond to a series of pressing demands, over the longer run the process for selecting projects for Impact Evaluation should ensure that (a) all of the major project types are examined, (b) the approach takes into account bureau and Mission needs for decisionmaking information and (c) no important evaluation questions go unaddressed.

The knowledge of what types of projects Congress wants AID to evaluate is, by and large, centralized knowledge. Knowledge of which Impact Evaluations would be most useful to the regional bureaus and the Missions is decentralized. A selection management approach that seems to offer the proper balance between centralized and decentralized selection appears feasible. A combination of centralized and decentralized elements in the selection process suggests that a coordinator for the selection process is needed.

PCI recommends that PPC/E act as coordinator of an Agency-wide selection that seeks nominations from bureaus and Missions and examines these nominations to ensure that, over time, all major classes and types of projects are evaluated.

## 2. Methods

Three desirable aspects of an overall methodological approach to Impact Evaluation were found to be:

- "Standards of Evidence" for Impact Evaluations;
- Evaluation designs that can provide information which meets these "standards of evidence"; and
- Evaluative indicators and measurement procedures that can be used in more than one evaluation.

The full development of these aspects of an Impact Evaluation Subsystem requires further attention; their application throughout the Agency will need to be coordinated. PCI has concluded that PPC/E is the most logical point for this coordination. This Office could well prepare draft "standards of evidence" for Agency review and approval. If AID selects PPC/E as the methodology coordinator for the Impact Evaluation Subsystem, the Office would be expected to work with all bureaus to identify indicators and appropriate measurement approaches as well as practical ways to use study designs that allow the comparison of the post-project status of project areas or target groups to some legitimate referent.

With the identification of "standards of evidence" goes the responsibility to develop a mechanism for monitoring and enforcing the standards. PCI recommends that AID employ procedures such as those used by the National Science Foundation for its studies; i.e., a panel of outside experts who comment on study designs and on draft final reports. This process could be managed by PPC/E. Comments from the panels on evaluation designs could be provided to evaluation teams at a point where adjustments could be made prior to data collection. Comments from the panels on draft final reports would be issued with final versions of a report. (Evaluators should have an opportunity to include a section in a final report that responds to panel comments or indicates what adjustments have been made based on the panel's review.)

### 3. Implementation

Implementation of an evaluation must be the responsibility of the evaluation team leader. However, there are a number of other evaluation-related responsibilities that are administrative in nature and will need to be assumed by AID.

In the near term, AID should attempt to involve Evaluation Officers from all of the bureaus in carrying out Impact Evaluation implementation tasks. PCI estimates that for every month of evaluation work, one-third of a month will be needed for related administrative work. Thus, if all Impact Evaluations ran 12 months, each AID backstop officer could "manage" four per year, and would probably find they could do better work if assigned only two in conjunction with other tasks. In the long-term AID will probably need to increase the number of staff members who devote time to the management and implementation of Impact Evaluations. If AID does elect a decentralized approach (i.e., Mission and Bureau management of those evaluations they nominate), then new staff should be assigned throughout the Agency as needed.

#### 4. Utilization of Evaluation Findings

To facilitate AID's use of Impact Evaluation findings, PCI recommends that (a) AID conduct "evaluation reviews" for its Impact Evaluations,\* (b) distribute "evaluation review" comments with final versions of Impact Evaluations and (c) centrally compile information concerning the uses made of Impact Evaluation findings.

#### D. EVALUATION COSTS

In Volume II of this report, PCI has considered a variety of options that are open to AID. The options PCI costed consider differences in:

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\* The "evaluation reviews" for this subsystem should bring together those individuals who would be expected to take actions based on the evaluation findings, i.e., to incorporate the findings into new designs. Multi-bureau representation would be desirable in most such reviews.

- The number of evaluations carried out per year;
- The "scope" of Impact Evaluations;
- Data collection approaches;
- PPC/E's responsibilities as program "manager"; and
- The mix of personnel used on teams.

In this section, our presentation on costs is limited to a summary of what we anticipate AID may spend in Year One and later years. The summary itself is a range that varies primarily in terms of AID's choices about team composition. The summary table assumes 20 studies per year, and a mix of data collection approaches, all of which focus on the "minimal" scope for Impact Evaluations. Table III-1 presents the estimates.

TABLE III-1:  
ESTIMATED COSTS OF AN IMPACT EVALUATION SUBSYSTEM

KEY TASKS	YEAR ONE		YEAR TWO... "N"	
	Probable Low	Probable High**	Probable Low	Probable High**
1. Conduct 20 project impact evaluations per year. (This estimate assumes use of the "basic" scope, a mix of four types of studies, and a mix of approaches to team composition. Backup sheets in Volume II show other options.)	\$1,188,000	\$1,906,600	\$1,188,000	\$1,906,600
2. Manage AID's program of impact evaluations. (The high estimates involve all of the recommended supplementary tasks. AID can calculate intermediate options from backup data in Volume II.)	123,995	262,493	123,995	126,870
TOTAL:	\$1,311,995	\$2,169,093	\$1,311,995	\$2,103,470
UNIT COST:	\$ 65,599	108,454	65,599	105,173

\* No estimate is made for inflation

\*\* High does not mean "most expensive" approach AID could take. A description of the "most expensive" scenario is provided with the backup sheets in Volume II.



# Implementation Steps

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## CHAPTER FOUR

Three elements of the implementation process are considered by this section of the Executive Summary:

- Year One startup management activities;
- Recurrent evaluation management and evaluation implementation activities; and
- Project design activities to support Impact Evaluation.

### A. YEAR ONE STARTUP MANAGEMENT ACTIVITIES

PCI recommends a series of tasks be undertaken in the first year of project Impact Evaluation that will facilitate management of a multi-year program. These activities are listed below:

- Develop "standards of evidence" that AID can use to judge "scopes of work", evaluation designs and completed evaluations;
- Develop a general or prototype scope of work for Impact Evaluations;
- Identify and prepare guidance concerning the basic evaluation research designs AID expects will yield evidence of project impact;
- Identify measures/field data collection approaches that have proven useful for securing data on specific impacts (e.g., income changes, caloric intake, literacy, etc.);
- Revise and publish AID's draft Handbook 3 guidance on evaluation;

- Revise and publish AID's December 1979 Handbook on Evaluation;
- Identify individuals who can serve on "quality control" panels (i.e., as reviewers of "scopes of work", evaluation designs and completed evaluations) during the initial year of subsystem operations as well as design and document the procedures used in each of these tasks;
- Prepare a cable for general distribution announcing AID's plans for an Impact Evaluation Subsystem. Indicate that these evaluations will supplement and complement existing project level evaluations.

B. RECURRENT EVALUATION MANAGEMENT IMPLEMENTATION ACTIVITIES

- Prepare workplans and budgets each year, including assignments recommended for specific offices and personnel;
- Select topics (types of projects) for evaluation;
- Select specific projects for evaluation;
- Conduct briefing/startup sessions for each team regarding "standards of evidence", appropriate evaluation designs and suggest indicators/measures for specific project Impact Evaluations, AID's "quality control" procedures, background on the project, etc.;
- Arrange and hold a "quality control" review as each new evaluation design is developed and feed comments back to the evaluation team;
- Disseminate final reports (with comments from the "quality control" panel), set up and hold evaluation reviews, document whether actions defined at such reviews are taken by AID. Annually summarize actions identified/taken;
- Conduct secondary analyses of sets of studies to assess the relative effectiveness and impact of different project approaches, the external validity of project hypotheses, and lessons learned about impact evaluation methods/measurement approaches;
- Prepare end-of-year presentations for Congress on Impact Evaluation findings and their utilization;
- Prepare an end-of-year summary of methodological lessons for inclusion in next year's evaluation guidance and briefing materials; and

- Prepare a cable to the field on nominating topics/projects to be evaluated for impact during the coming year.

C. PROJECT DESIGN ACTIVITIES TO SUPPORT IMPACT EVALUATION

- Devote one extra day per project (in AID/W, specifically PPC/E) to review and prepare a written critique of the project logic (text and LogFrame) from the point of view of evaluation. This should be done soon after PIDs are approved and reviewed again when PPs come up for approval. Suggestions to the field on modifying the project logic, by making the project's intermediate objectives clearer, identifying more fully the means of verification the project purposes, as well as queries concerning plans for baseline data collection should be made at the time a PP is reviewed as well as just after a PID is approved;
- Encourage Missions/Offices to spend the time they require to make these improvements and provide them with assistance from PPC/E, the regional bureaus, other central bureaus, REDSO's, etc., as needed; and
- Encourage and support Mission efforts to collect baseline data where possible; give priority to projects that will not be able to employ an "after-only" Impact Evaluation design, and which AID expects will need to be evaluated in terms of their impact.